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September 25, 2003

## VIA ELECTRONIC FILING

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: Oral Ex Parte Communications, CC Docket No. 99-273

Dear Ms. Dortch:

This letter is being filed to notify you that on September 24, 2003, Robert Pines, President of InfoNXX, Inc. and Lois Pines, regulatory counsel and the undersigned, its counsel, met with Christopher Libertelli, Legal Advisor to Chairman Michael Powell; Jessica Rosenworcel, Legal Advisor to Commissioner Michael Copps; William Maher, Gregory Cooke and Robert Tanner of the Wireline Competition Bureau; Daniel Gonzalez, Legal Advisor to Commissioner Kevin Martin; and Commissioner Jonathan Adelstein to discuss the recent experience in the United Kingdom on opening up the retail directory assistance market to competition.

The parties explained that the experience from the U.K. is remarkable: in just one month, eighteen competing providers offering variable prices, enhanced services and higher quality service have won nearly 70% of the call volume on DA from the incumbent provider (BT). That provides compelling evidence that consumers in this \$700 million market sector (the U.S. Market is \$5-6 billion), who have seen nothing but steadily rising prices, were anxious to use an alternative provider and welcomed and were not confused by the introduction of competition. We also discussed the information in the attached slide deck.

If you have any questions, please contact the undersigned.

Sincerely,



Gerard J. Waldron

GJW:cad  
Attachment

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cc: Commissioner Jonathan Adelstein  
Jessica Rosenworcel  
Daniel Gonzalez  
Christopher Libertelli  
William Maher  
Michelle Carey  
Gregory Cooke  
William Tanner  
Robert Pines  
Lois Pines

# **FCC Retail DA Proceeding: Lessons from the UK Experience**

**September 24, 2003**

# **FCC Retail DA Proceeding: Lessons from the UK**

## **Background and Purpose**

- Retail DA NPRM (Jan. 2002) acknowledged that the wireline retail directory assistance market is one of the few telecom markets that has not seen competition and sought comment on possible regulatory measures to promote such competition
- NPRM asked about:
  - Benefits of wireline retail DA competition
  - Consumer reaction to competitive DA models
  - Possible methods for accomplishing retail DA competition
- This presentation responds to these questions based on a case study of recent action in the UK to implement retail DA competition, focusing on:
  - Methods used to implement retail DA competition
  - Benefits that consumers have enjoyed as a result of DA competition
  - Consumer response to DA competition

## **FCC Retail DA Proceeding: Lessons from the UK Consumers Have Benefited from Retail DA Competition**

- Diverse Service Offerings: Competitive providers in UK have jointly developed a website ([www.newdirectoryenquiries.com](http://www.newdirectoryenquiries.com)) that lists the new services available. The site currently lists 16 offerings, offering a variety of services (including enhanced services and foreign language services) at a range of prices (including flat-fee and per-minute offerings)
- Enhanced Services: The Number UK, InfoNXX's flagship UK service, offers services including business search, category search, mobile text-messaging of a number, cinema listings, call connection, international listings at no extra charge, driving directions or public transportation information
- Lower Prices: BT's price for a directory enquiry call has fallen from 40p prior to the introduction to 35p after competition; the lowest price offering currently available is 30p per call

# **FCC Retail DA Proceeding: Lessons from the UK**

## **UK Transition Procedure**

- New 118XXX codes were allocated to all applicants by lottery
- 118XXX services and traditional 192 service were jointly available for 8-month transition period
- 192 service eliminated effective 8/24/2003
  - OFTEL mandated basic elements of a solution for referring 192 callers to new services (open to all on an equal and fair basis)
  - DA service providers formed a non-profit corporation responsible for procuring a referral solution satisfying OFTEL's criteria
- BT maintains (and licenses to competitive DA providers) a single national database of directory information, in which all network service providers are required to list their customers' information. Some competitive DA providers supplement the national database with additional business databases and data sources to improve accuracy and efficiency

## **FCC Retail DA Proceeding: Lessons from the UK**

### **UK Consumers Are Making The Transition**

- Massive marketing campaigns have made consumers aware of the transition from 192 to 118XXX services
- According to BT Wholesale, nearly half of directory enquiry calls made on 8/24/2003 were made to 192; by 8/31/2003, the portion of calls to 192 had fallen to about a third, where it remained as of 9/07/2003.
- Consumers who are unable to use a printed telephone book receive free directory enquiry service from their network provider through the 195 dial code. The Number UK is examining whether there are means to offer disabled consumers an alternative to 195 that includes new enhanced services.

## **FCC Retail DA Proceeding: Lessons from the UK**

### **UK Consumers Are Dialing New Numbers to Access New Services**

- The most popular new services are those offering something that was not available from 192 – lower price, higher quality, or enhanced services
- Call completion has been the most popular enhancement; consumers have responded most favorably to services offering competitive rates for call completion
- The service that has realized the greatest increases in call volume is based on offering greater enhancements and higher service quality



## **FCC Retail DA Proceeding: Lessons from the UK**

### **Genuine Competition Brings Investment and Innovation**

- Elimination of the default code is critical to new investment:
  - Without elimination of the default code, The Number UK would not have invested in the UK market because the incumbent's advantage would have been too great for a competitor to overcome
  - Elimination of default code creates the dynamic that encourages consumers to pursue new alternatives
- Consumers (particularly light users such as the elderly) have taken advantage of lower cost services
- Consumers that want more from DA services (such as heavy users) are taking advantage of enhanced services and better quality; The Number UK now serves over half of the UK market because of its enhanced services
- Tens of millions of pounds were invested in new DA services, creating investment in the beleaguered telecom market and benefiting equipment suppliers, the marketing sector and consumers